

Message Text

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15

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 L-03 AGR-20 ARA-16 H-03 SPC-03

SAM-01 AID-20 EB-11 NSC-10 RSC-01 CIEP-02 SS-20

STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 XMB-07 OPIC-12 DRC-01 /165 W

----- 023399

P R 140408Z FEB 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 9574

INFO AMEMBASSY SEOUL

C O N F I D E N T I A L HONG KONG 1658

DEPARTMENT PASS TREASURY FOR SOMMERFIELD

E.O. 11652: GDS

TAGS: EFIN, ESTC, KN

SUBJ: NORTH KOREAN PURCHASE OF RICE WITH US DOLLARS

1. TREASURY REPRESENTATIVE WAS REQUESTED BY MANAGER, HONG KONG
BRANCH BANQUE NATIONALE DE PARIS (BNP) TO GIVE HIS OPINION
ON LEGALITY, WITH RESPECT TO US FOREIGN ASSETS CONTROL REGU-
LATIONS, OF FOLLOWING TRANSACTION:

L/C WOULD BE OPENED BY NORTH KOREAN BANK IN FAVOR OF
HONG KONG FIRM. IT WOULD COVER SHIPMENT OF BRAZILIAN
WHITE RICE TO MIDDLE EAST OR FAR EAST PORTS. AGAINST
THIS L/C, BNP WOULD BE REQUESTED TO OPEN BACK-TO-BACK
TRANSFERABLE AND DIVISIBLE L/C IN FAVOR OF CALIFORNIA
COMPANY WHICH IS PRESUMABLY ACTING AS BROKER FOR
TRANSACTION. HONG KONG FIRM IS NOT KNOWN TO BNP AND HAS
NOT YET MADE DEFINITIVE PROPOSAL. BNP IS NOT SURE ANY
CONTRACTS HAVE BEEN MADE.

2. HE REPLIED THAT PURPOSE OF BACK-TO-BACK L/C WAS PROBABLY TO
MASK NORTH KOREAN ORIGIN OF PAYMENT AND WAS PROBABLY IN VIOLATION
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OF FAC REGULATIONS BUT WOULD QUERY TREASURY IMMEDIATELY TO BE

SURE.

3. ACTION REQUESTED - NEED DEFINITIVE OPINION ABOUT LEGALITY
THIS OPERATION BEFORE C.O.B. FRIDAY, HONG KONG TIME.
ALLEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, PROCUREMENT, DOLLAR
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: rowelle0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974HONGK01658
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740233/aaaabetc.tel
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Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
Previous Channel Indicators:
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2002 by elyme>; APPROVED <27-Sep-2002 by rowelle0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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TAGS: EFIN, ESTC, KN, US
To: STATE
Type: TE
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